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WISCONSIN ECONOMIC INDICATORS

FEBRUARY 1987

DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Courtesy of the State Historical Society of Wisconsin.

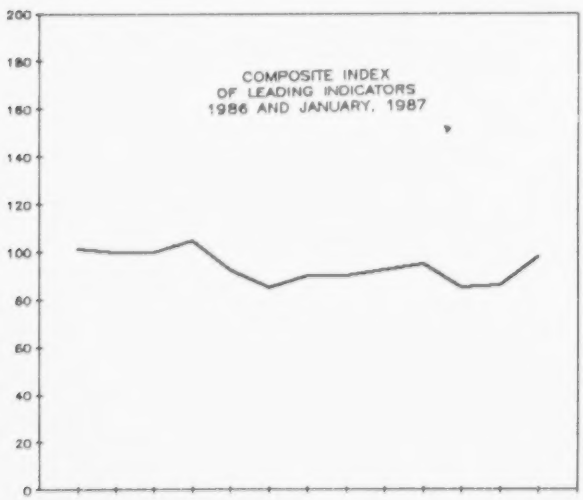
THE WISCONSIN ECONOMY

SUMMARY FOR JANUARY

INDEX OF LEADING INDICATORS

The January composite index of Wisconsin's leading economic indicators jumped up by nearly twelve percentage points and is now at 97.3 percent of the 1979 base-year average of one hundred. Most of the state's leading indicators showed positive change in January, and the two that decreased--manufacturing hours and overtime hours--declined at less than normal January amounts.

The composite index of leading indicators had decreased to the mid-eighties in the past two months, a decrease which had caused concern among labor market analysts.



LEADING INDICATORS

Production workers in Wisconsin's manufacturing industries spent fewer hours on the job in January. The average workweek shortened by four-tenths of an hour. That is only about half of the normal seasonal decline for this month. The weekly average overtime amounted to 3.7 hours--down slightly, but again, a sub-par decrease.

The less-than-normal hours decrease in January accompanied a manufacturing employment level which decreased at a less-than-normal pace. Thus, the state's manufacturing industries somewhat resisted the usual January slump.

The average number of weekly initial claims for unemployment compensation decreased by over 36 hundred in January. That's a large drop for this time of the year. A decrease of between 24 and 25 hundred would be usual this month.

The number of job openings received by Job Service offices throughout the state increased by over one hundred. The calls from employers seeking workers usually decreases in January, so this month's increase is well above the seasonal trend.

The number of new business incorporations grew to 595 in January, an increase of sixty-five from the month earlier number. Incorporations normally do increase in January, but only slightly--a growth of less than ten would have been normal.

The number of building plans examined increased by over one hundred fifty. That is unusual for January, a month in which plans examined usually slows. Building plans for industrial and commercial structures must be examined by state officials for safety purposes. An increase of plans examined foreshadows growth in construction employment.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	Yr/Ago	AVG. 1986
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	97.3	Jan	85.7	101.6	13.5	- 4.2	
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	41.5	Jan	41.9	41.3	- 1.0	0.5	41.3
Seasonally Adjusted		41.5		41.1	41.3	1.0	0.5	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	3.7	Jan	3.8	3.6	- 2.6	2.8	3.6
Seasonally Adjusted		3.7		3.6	3.6	2.8	2.8	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	11,137	Jan	14,786	12,693	-24.7	-12.3	8,802
Seasonally Adjusted		8,437		9,331	9,615	- 9.6	-12.3	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	5,385	Jan	5,269	6,188	2.2	-13.0	7,743
Seasonally Adjusted		7,095		6,624	8,155	7.1	-13.0	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	595	Jan	530	575	12.3	3.5	539
Seasonally Adjusted		599		541	579	10.7	3.5	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	1,302	Jan	1,048	1,547	24.2	-15.8	1,276
Seasonally Adjusted		1,258		1,283	2,379	- 1.9	-47.1	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	561	Jan	407	465	37.8	20.6	560
Seasonally Adjusted		823		554	682	48.6	20.7	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	68	Dec	67	62	1.5	9.7	60
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	7.9	Jan	7.1	8.6	-	-	7.0
Seasonally Adjusted		6.6		6.7	7.2	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	325.2	Dec	272.1	480.6	19.5	-32.3	214.6
Seasonally Adjusted		197.7		236.8	292.3	-16.5	-32.4	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	15,972	Jan	10,519	16,150	51.8	- 1.1	16,947
Seasonally Adjusted		17,258		15,028	17,452	14.8	- 1.1	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1944.6	Dec	1935.7	1948.0	0.5	- 0.2	1946.0
Seasonally Adjusted		1972.2		1963.2	1976.4	0.5	- 0.2	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	69.4	Jan	130.7	100.9	-46.9	-31.2	171.0
Seasonally Adjusted		66.7		145.4	96.9	-54.1	-31.2	

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1986
C7 MANUFACTURING EMPL.								
Unadjusted	THOUS	505.4	Jan	509.9	502.9	- 0.9	0.5	513.0
Seasonally Adjusted		516.2		513.1	513.5	0.6	0.5	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	438.24	Jan	440.37	431.17	- 0.5	1.6	427.38
Seasonally Adjusted		434.33		425.48	427.22	2.1	1.7	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	514.1	Nov	436.2	493.7	17.9	4.1	
Seasonally Adjusted		462.7		429.8	444.5	7.7	4.1	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS	57.4	Jan	63.3	54.6	- 9.3	5.1	64.0
Seasonally Adjusted		69.7		64.3	66.3	8.4	5.1	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	NUMBER	5,770	Jan	5,615	5,896	2.8	- 2.1	6,033
Seasonally Adjusted		5,438		6,178	5,555	-12.0	- 2.1	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	4,147	Jan	3,618	4,137	14.6	0.2	3,514
Seasonally Adjusted		3,385		3,664	3,376	- 7.6	0.3	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	1,623	Jan	1,997	1,759	-18.7	- 7.7	2,519
Seasonally Adjusted		2,049		2,551	2,221	-19.7	- 7.7	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	1,946	Jan	1,816	2,042	7.2	- 4.7	3,207
Seasonally Adjusted		3,022		3,156	3,169	- 4.2	- 4.6	
X5 CONSUMER PRICE INDEX (MILW.)				(Sep)				
Unadjusted	INDEX	330.7	Nov	332.9	324.3	- 0.7	2.0	331.7
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	134	Jan	136	130	- 1.5	3.1	131
Seasonally Adjusted		131		138	127	- 5.1	3.1	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES								
Unadjusted	NUMBER	2,389	Jan	- 419	1,584	670.2	50.8	1,363
Seasonally Adjusted		1,812		1,861	1,279	- 2.6	41.7	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	NUMBER	1,240	Jan	390	489	217.9	153.6	769
Seasonally Adjusted		2,160		527	852	309.9	153.5	
X9 UNEMPL. COMPENSATION EXHAUSTEES	NUMBER							
Unadjusted		21,143	Jan	22,153	25,626	- 4.6	-17.5	26,223
Seasonally Adjusted		23,756		24,709	28,794	- 3.9	-17.5	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2405.7	2423.6	2351.1	- 0.7	2.3
Employment (Inc. Labor Disputes)	2215.2	2251.7	2148.2	- 1.6	3.1
Unemployment	190.6	171.9	202.9	10.9	- 6.1
Unemployment Rate	7.9	7.1	8.6	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2457.5	2424.4	2399.4	1.4	2.4
Employment (Inc. Labor Disputes)	2295.5	2261.5	2227.0	1.5	3.1
Unemployment	161.9	162.9	172.4	- 0.6	- 6.1
Unemployment Rate	6.6	6.7	7.2	-	-

WISCONSIN EMPLOYMENT ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	1992.8	2042.8	1952.7	- 2.4	2.1
Unadjusted					
Manufacturing	504.4	509.7	502.4	- 1.0	0.4
Mining	1.5	1.8	1.3	-16.7	15.4
Contract Construction	57.4	63.3	54.6	- 9.3	5.1
Transportation and Public Utilities	90.8	93.9	91.6	- 3.3	- 0.9
Elec., Gas and Sanitary Services	17.4	17.4	17.2	0.0	1.2
Wholesale Trade	101.0	101.9	98.3	- 0.9	2.7
Retail Trade	372.1	392.5	360.0	- 5.2	3.4
General Merchandise	49.3	53.1	49.1	- 7.2	0.4
Finance, Insurance and Real Estate	109.4	109.7	104.5	- 0.3	4.7
Banking	27.8	28.0	27.5	- 0.7	1.1
Insurance	36.4	36.2	34.3	0.6	6.1
Service and Miscellaneous	431.8	438.0	417.8	- 1.4	3.4
Hospitals	67.2	67.3	66.4	- 0.1	1.2
Private Education	22.8	24.6	23.4	- 7.3	- 2.6
Government	324.4	331.9	322.2	- 2.3	0.7
State Government	82.0	85.7	82.3	- 4.3	- 0.4
Local Government	213.8	217.7	212.0	- 1.8	0.8

UNITED STATES LABOR FORCE ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	119,034	118,586	116,794	0.4	1.9
Employment	111,011	110,637	108,892	0.3	1.9
Unemployment	8,023	7,949	7,902	0.9	1.5
Unemployment Rate	6.7	6.7	6.8	-	-

MANUFACTURING EMPLOYMENT *(Unadjusted)* JANUARY	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	504.4	509.7	502.4
All Manufacturing (Excluding Canning)	496.3	501.5	494.8
Durable Goods	306.4	309.2	308.0
Lumber and Wood Prod., (Except Furniture)	23.1	23.5	22.6
Sawmills and Planning Mills	3.1	3.1	3.1
Millwork, Veneer, Plywood & Prefab. Wood Prod.	11.6	11.7	11.1
Furniture and Fixtures	10.8	10.6	10.0
Household Furniture	4.5	4.4	4.1
Stone, Clay and Glass Products	7.1	7.7	7.0
Concrete, Gypsum and Plaster Products	2.9	3.4	2.8
Primary Metal Industries	18.6	18.6	19.2
Iron and Steel Foundries	9.5	9.4	10.0
Fabricated Metal Products	50.5	50.8	51.2
Heating Equipment (Except Electrical) & Plumbing Fixtures	6.7	6.8	6.2
Fabricated Structural Metal Products	12.0	11.9	12.5
Metal Stampings	10.5	10.6	10.9
Machinery (Except Electrical)	97.5	97.8	100.0
Engines and Turbines	20.0	19.8	19.1
Farm Machinery and Equipment	11.8	11.7	12.4
Const., Min. & Material Handling Mach. & Equip.	10.6	10.9	11.2
Metalworking Machinery and Equipment	10.7	10.8	11.4
Special Industry Machinery (Except Metalworking)	11.3	11.4	12.3
General Industrial Machinery and Equipment	13.7	13.7	13.6
Service Industry Machines	6.6	6.7	7.4
Electrical Machinery, Equipment and Supplies	47.8	48.4	48.1
Electrical Industrial Apparatus	15.7	15.7	16.4
Household Appliances	6.2	6.4	6.3
Transportation Equipment	31.2	31.5	29.4
Motor Vehicles and Equipment	24.0	23.9	22.6
Instruments and Related Products	11.0	11.0	11.4
Miscellaneous Manufacturing	8.9	9.1	9.0
Nondurable Goods	198.0	200.5	194.4
Food and Kindred Products	57.1	58.8	56.8
Meat Products	13.0	14.2	13.9
Dairy Products	17.0	17.3	16.8
Canning and Preserving	8.1	8.2	7.6
Bakery Products	4.9	4.8	4.2
Beverage Industries	7.4	7.4	7.6
Textile Mill Products	3.5	3.6	3.7
Knitting Mills	2.9	3.1	3.1
Apparel and Other Finished Products	7.0	6.9	6.3
Paper and Allied Products	48.7	49.3	48.0
Pulp and Paper Mills	30.6	31.0	29.7
Converted Paper and Paperboard Products	10.1	10.1	9.9
Paperboard Containers and Boxes	7.0	7.0	7.1
Printing, Publishing and Allied Industries	40.0	40.2	38.7
Newspapers	12.3	12.5	11.9
Commercial Printing	17.2	17.1	16.6
Chemicals and Allied Products	10.6	10.7	10.5
Rubber and Misc. Plastics Products	24.2	24.2	22.8
Miscellaneous Plastics Products	19.8	19.7	18.3
Leather and Leather Products	6.6	6.6	7.3
Leather Tanning and Finishing	1.6	1.6	1.8
Footwear (Except Rubber)	3.1	3.1	3.8
Other Nondurable Goods	-	-	-

Section

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)*	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$438	$440	$431	41.5	41.9	41.3
All Manufacturing (Excl. Canning)	439	443	433	41.5	42.0	41.4
Durable Goods	448	449	441	41.9	42.3	41.5
Lumber/Wood Prod. (Exc. Furn.)	309	309	318	40.1	40.8	40.6
Furniture and Fixtures	324	353	317	40.2	43.2	40.9
Stone, Clay and Glass Products	406	410	411	45.0	44.6	42.3
Primary Metal Industries	444	455	415	43.7	44.6	42.6
Iron and Steel Foundries	440	453	413	44.1	45.7	42.8
Fabricated Metal Products	422	424	415	40.9	41.1	40.2
Fab. Structural Metal Prod.	452	461	439	44.7	44.6	42.5
Metal Stampings	445	444	426	40.5	40.4	39.6
Machinery (Except Electrical)	510	513	508	43.0	43.6	42.9
Engines and Turbines	616	598	590	45.2	45.2	44.0
Farm Machinery and Equip.	541	550	528	42.3	42.4	40.4
Const. and Related Mach.	457	497	489	41.9	45.9	43.2
Metalworking Mach. and Equip.	528	538	538	43.2	43.7	44.0
Spec. Ind. Mach. (Exc. Metal).	474	502	519	41.0	42.5	44.6
Gen. Industrial Mach. and Equip.	499	497	505	42.5	42.8	41.5
Electrical Mach., Equip. and Supp.	425	413	405	41.7	41.3	40.3
Electrical Industrial Apparatus	441	437	423	41.2	41.4	40.4
Transportation Equipment	569	563	574	41 4	41.4	41.8
Instruments and Related Prod.	349	369	347	39.7	41.3	39.3
Nondurable Goods	422	428	416	40.9	41.4	41.1
Food and Kindred Products	393	405	389	40.1	40.6	40.0
Meat Products	353	361	368	40.5	40.6	40.7
Dairy Products	395	403	382	39.8	40.3	39.4
Textile Mill Products	353	349	307	44.1	44.2	39.8
Apparel and Other Fin. Prod.	245	234	234	38.8	37.5	38.0
Paper and Allied Products	558	569	544	44.5	45.7	45.4
Pulp and Paper Mills	609	613	582	46.0	46.4	46.1
Printing, Pub. and Allied Prod.	417	431	427	37.5	38.5	39.0
Chemicals and Allied Products	470	474	469	40.8	41.0	41.4
Rubber and Misc. Plastics Prod.	329	328	334	40.3	40.1	40.2
Leather and Leather Products.	275	267	251	40.4	40.2	38.5

Section

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JANUARY	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	10.56	10.51	10.44	10.11	10.07	9.99
All Manufacturing (Excl. Canning)	10.59	10.54	10.47	10.14	10.10	10.02
Durable Goods	10.70	10.61	10.63	10.29	10.23	10.20
Lumber/Wood Prod. (Exc. Furn.)	7.70	7.57	7.84	-	-	-
Furniture and Fixtures	8.07	8.16	7.75	7.76	7.79	7.48
Stone, Clay and Glass Products	9.02	9.19	9.71	8.73	9.07	9.38
Primary Metal Industries	10.16	10.21	9.74	9.69	9.75	9.32
Iron and Steel Foundries	9.97	9.91	9.66	9.52	9.52	9.36
Fabricated Metal Products	10.32	10.31	10.33	9.96	9.92	9.86
Fab. Structural Metal Prod.	10.11	10.33	10.33	9.68	9.81	9.87
Metal Stampings	10.99	11.00	10.76	10.69	10.64	9.89
Machinery (Except Electrical)	11.85	11.77	11.83	11.24	11.18	11.31
Engines and Turbines	13.63	13.24	13.41	12.57	12.29	12.55
Farm Machinery and Equip.	12.78	12.97	13.08	12.19	12.47	12.70
Const. and Related Mach.	10.91	10.82	11.33	10.57	10.34	10.96
Metalworking Mach. and Equip.	12.23	12.31	12.23	11.73	11.74	11.65
Spec. Ind. Mach. (Exc. Metal).	11.56	11.81	11.64	11.12	11.30	10.99
Gen. Industrial Mach. and Equip.	11.74	11.62	12.17	11.36	11.21	11.61
Electrical Mach., Equip. and Supp.	10.19	10.01	10.05	9.80	9.74	9.76
Electrical Industrial Apparatus	10.71	10.56	10.48	10.67	10.49	10.23
Transportation Equipment	13.75	13.61	13.73	13.18	13.05	13.18
Instruments and Related Prod.	8.78	8.93	8.84	8.60	8.70	8.69
Nondurable Goods	10.33	10.34	10.13	9.82	9.81	9.63
Food and Kindred Products	9.81	9.97	9.72	9.34	9.44	9.24
Meat Products	8.71	8.89	9.05	8.40	8.49	8.56
Dairy Products	9.92	10.01	9.68	9.48	9.53	9.30
Textile Mill Products	8.01	7.89	7.71	7.69	7.54	7.45
Apparel and Other Fin. Prod.	6.32	6.24	6.17	6.18	6.12	6.13
Paper and Allied Products	12.53	12.45	11.98	11.82	11.80	11.36
Pulp and Paper Mills	13.25	13.22	12.62	12.49	12.52	11.99
Printing, Pub. and Allied Prod.	11.12	11.19	10.95	-	-	-
Chemicals and Allied Products	11.51	11.55	11.33	11.29	11.25	11.09
Rubber and Misc. Plastics Prod.	8.16	8.17	8.32	7.87	7.87	8.02
Leather and Leather Products.	6.81	6.65	6.52	6.66	6.55	6.32

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers *(Unadjusted)*	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$401	$409	$395	40.8	41.6	40.7	9.83	9.84	9.70	-	-
Wisconsin	438	440	431	41.5	41.9	41.3	10.56	10.51	10.44	10.11	10.07
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	455	456	446	42.5	42.7	43.9	10.70	10.69	10.16	10.14	10.21
Beloit (City)	427	438	396	41.3	42.5	41.6	10.33	10.31	9.51	-	-
Eau Claire (Eau Claire-Chippewa)	429	427	412	41.1	41.0	39.4	10.43	10.41	10.46	10.28	10.13
Fond du Lac (County)	410	436	397	41.2	44.4	41.6	9.94	9.83	9.54	9.53	9.25
Green Bay (Brown County)	471	494	486	41.3	42.4	42.6	11.40	11.64	11.40	10.48	10.72
Janesville (City)	509	502	577	38.5	38.6	40.9	13.21	13.00	14.10	13.17	12.94
Janesville-Beloit (Rock County)	472	472	509	39.1	39.6	41.1	12.06	11.91	12.38	11.84	11.65
Kenosha (County)	477	480	406	40.7	41.0	38.7	11.73	11.70	10.49	11.19	11.19
La Crosse (County)	359	371	353	40.1	39.4	39.4	8.96	9.42	8.96	8.73	9.04
Madison (Dane County)	396	404	401	40.3	40.8	40.9	9.83	9.90	9.81	9.53	9.55
Manitowoc (County)	391	405	377	40.1	41.5	39.0	9.74	9.75	9.66	9.50	9.49
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	492	494	487	41.6	42.3	41.5	11.82	11.68	11.74	11.20	11.06
Racine (County)	459	454	438	42.4	41.9	39.6	10.83	10.83	11.05	10.65	10.45
Sheboygan (County)	398	425	380	41.8	43.6	40.2	9.52	9.75	9.45	8.94	9.38
Wausau (Marathon County)	421	416	411	42.4	42.4	41.3	9.92	9.81	9.96	9.46	9.31

EMPLOYMENT, MFG. *(Unadjusted)* JANUARY	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,023.0	19,172.0	19,140.0	- 0.8	- 0.6
Wisconsin	504.4	509.7	502.4	- 1.0	0.4
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	47.7	48.1	48.0	- 0.8	- 0.6
Beloit (City)	4.4	4.5	5.3	- 2.2	-17.0
Eau Claire (Eau Claire-Chippewa)	9.9	10.3	9.5	- 3.9	4.2
Fond du Lac (County)	10.3	10.3	9.9	0.0	4.0
Green Bay (Brown County)	23.5	23.9	23.7	- 1.7	- 0.8
Janesville (City)	10.0	10.6	10.9	- 5.7	- 8.3
Janesville-Beloit (Rock County)	16.4	16.7	17.7	- 1.8	- 7.3
Kenosha (County)	11.3	11.3	9.7	0.0	16.5
La Crosse (County)	9.9	10.1	10.3	- 2.0	- 3.9
Madison (Dane County)	21.4	21.4	20.4	0.0	4.9
Manitowoc (County)	10.6	11.0	11.7	- 3.6	- 9.4
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	166.7	167.9	169.2	- 0.7	- 1.5
Racine (County)	24.1	24.3	25.2	- 0.8	- 4.4
Sheboygan (County)	18.8	18.8	18.3	0.0	2.7
Wausau (Marathon County)	12.0	12.2	11.3	- 1.6	6.2

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert

Department of Revenue

Recent economic indicators continue to point to moderate growth and gradually rising inflation in the national economy over the next two years. The current forecast is little changed from the forecast released last November. The projected growth rate of real Gross National Product (GNP) is 2.7 percent for 1987. Inflation as measured by the Consumer Price Index is expected to increase from 1.9 percent in 1986 to 3.5 percent in 1987 and 4.3 percent in 1988.

The sources of economic growth in 1987 are expected to differ significantly from 1986. In 1986, growth in consumption and housing offset the weakness resulting from the massive trade deficit. In 1987, consumption and government spending are forecast to weaken. This weakness, however, is expected to be offset by strong growth in exports and a flattening out of imports as the trade picture gradually improves.

On the financial side, interest rates are expected to stabilize near current levels. The Federal Reserve Board appears to be following a "steady as she goes" policy under the assumption that recent declines in interest rates and the value of the dollar should provide sufficient stimulus for economic expansion. If economic growth falters, further interest rate declines would be likely. Conversely if the economy appears to be growing too rapidly, a modest tightening by the Fed would be expected in order to counter inflationary pressures.

The current forecast calls for real consumption spending (adjusted for inflation) to increase by 1.8 percent in 1987 and 2.2 percent in 1988. These are much slower growth rates than the 3.5 percent to 4.0 percent experienced in recent years. This slowdown is projected to occur because in recent years consumption spending has been rising faster than income. In the process, consumers have increased their debt levels and reduced their savings, leaving little room for large increases in consumption spending in the near future. Furthermore, the recent decline in the value of the dollar is expected to translate into higher prices for imported goods which will also crimp consumption spending.

On the positive side, steady employment growth and continued consumer confidence should prevent the adjustment in consumption spending from turning into a full scale retrenchment which would push the economy into recession.

Residential investment is expected to be a source of weakness in the forecast period. Residential investment is forecast to decline 0.6 percent in 1987 and then to grow by 2.0 percent in 1988. Although single family housing starts are expected to continue at the 1.2 million pace of 1986, considerable weakness should develop in multi-family housing. This decline in multi-family housing starts is largely attributable to changes in the Federal income tax code. Longer depreciation lives will reduce tax incentives for investment in multi-family housing. Additional weakness in the multi-family sector is expected from reductions in Federal government subsidies for low income and elderly housing projects.

Business investment is also expected to be a source of weakness during the forecast period, particularly in 1987. A number of factors will contribute to this weakness. First, investment incentives will weaken. The investment tax credit was repealed

and the tax credits for depreciating factories and equipment must be claimed at a slower rate. Second, production facilities are now operating at a relatively low level of capacity. We can increase production in existing shops and factories without building new ones. Third, although oil prices appear to have stabilized, investment in petroleum exploration is expected to continue to decline in 1987. Fourth, commercial and office buildings are in oversupply in many markets. The overbuilding in previous years was in part induced by tax incentives which have now been repealed.

Investment in business equipment is forecast to grow by 2.8 percent in 1987 and 4.8 percent in 1988. Investment in nonresidential construction is forecast to decline by 8.3 percent in 1987 and then rebound weakly in 1988, growth by 1.2 percent.

Government spending is expected to be a drag on growth in 1987. Real federal government expenditures are expected to grow by 0.9 percent in 1987 and decline by 1.4 percent in 1988 as Congress and the President struggle to meet the Gramm-Rudman-Hollings targets. Although the targets will not be met, some reduction in the deficit is expected. The deficit is expected to decline from $220 billion in FY 1986, to $187 billion in FY 1987, and $160 billion in FY 1988.

The bright spot in the forecast is the foreign sector. Although the dollar has not declined uniformly against all currencies, the nearly 40 percent decline in value of the dollar in relation to the Japanese yen and German mark from its March 1985 peak should have a significant effect on U.S. exports and imports in 1987. Exports are expected to increase 11 percent in both 1987 and 1988. By contrast imports are expected to grow only 0.2 percent in 1987 and 1.1 percent in 1988. The decline in imports from Europe and Japan will be tempered by increases from Asian and Latin American countries whose currencies have not risen relative to the dollar.

The merchandise trade deficit is projected to slowly recede from $170 billion in 1986 to $152 billion by 1988. In 1987, 40 percent of the growth in real GNP is forecast to come from the improvement in foreign trade.

Wisconsin Outlook.

The current forecast for the Wisconsin economy remains one of moderate growth in employment and income. Total Wisconsin nonfarm employment is projected to increase by 1.8 percent in 1987 and 2.0 percent in 1988. The composition of employment growth is expected to follow recent patterns with nearly 75 percent of the net gain occurring in trade and services. Modest gains of 6,400 (17.7 percent of the total net gain) are also expected in manufacturing as an anticipated stimulus from a lower dollar adds to orders and sales.

SOURCES OF EMPLOYMENT GROWTH FOR 1987
RANKED BY INDUSTRY

	Net Gain (1,000)	Percent of Net Gain
Services	15.8	43.6
Trade	10.6	29.3
Nondurable Mfg.	4.2	11.6
F.I.R.E.	3.6	9.9
Durable Mfg.	2.2	6.1
Government	0.6	1.7
Trans., Comm., P.U.	0.1	0.3
Mining	0.0	0.0
Construction	-0.9	-2.5
Total	36.2	100.0

Wisconsin's personal income's major weakness is associated with interest income which is expected to decline by

(Continued on back cover)

WISCONSIN EMPLOYMENT FORECAST
(Thousands of Workers, Annual Average)

	1985	1986	1987	1988
MANUFACTURING	514.9	517.4	523.8	532.8
DURABLES	315.5	315.1	317.3	322.6
LUMBER PRODUCTS	22.6	23.7	24.1	24.4
STONE, CLAY, GLASS	7.8	8.0	8.4	8.6
PRIMARY METALS	19.3	18.8	18.3	18.1
FABRICATED METALS	51.4	51.8	51.8	53.1
NON-ELECT. MACHINERY	100.1	100.0	97.1	98.5
ELECTRICAL MACHINERY	50.2	49.4	50.1	52.2
TRANS. EQUIPMENT	32.8	31.7	35.7	35.7
OTHER DURABLES	31.4	31.6	31.8	32.0
NONDURABLES	199.4	202.3	206.5	210.3
FOOD PRODUCTS	62.5	61.7	60.9	60.9
PAPER PRODUCTS	48.1	48.9	50.3	51.8
PRINTING & PUBLISHING	38.2	39.1	40.5	42.3
CHEMICALS	10.0	9.9	10.0	10.4
RUBBER & PLASTICS	22.6	25.0	27.2	27.5
OTHER NONDURABLES	18.1	17.7	17.7	17.5
MINING	2.2	2.5	2.5	2.4
CONSTRUCTION	62.8	65.1	64 2	64.5
TRANS., COMM., UTILITIES	93.7	94.8	94.9	95.7
FINANCE, INSUR., REAL EST.	104.2	108.0	111.6	114.4
TRADE	462.5	471.6	482.2	492.7
SERVICES	415.2	427.9	443.7	463.0
GOVERNMENT	322.2	327.3	327.9	326.7
TOTAL EMPLOYMENT (Nonfarm)	1977.5	2014.7	2050.7	2092.5

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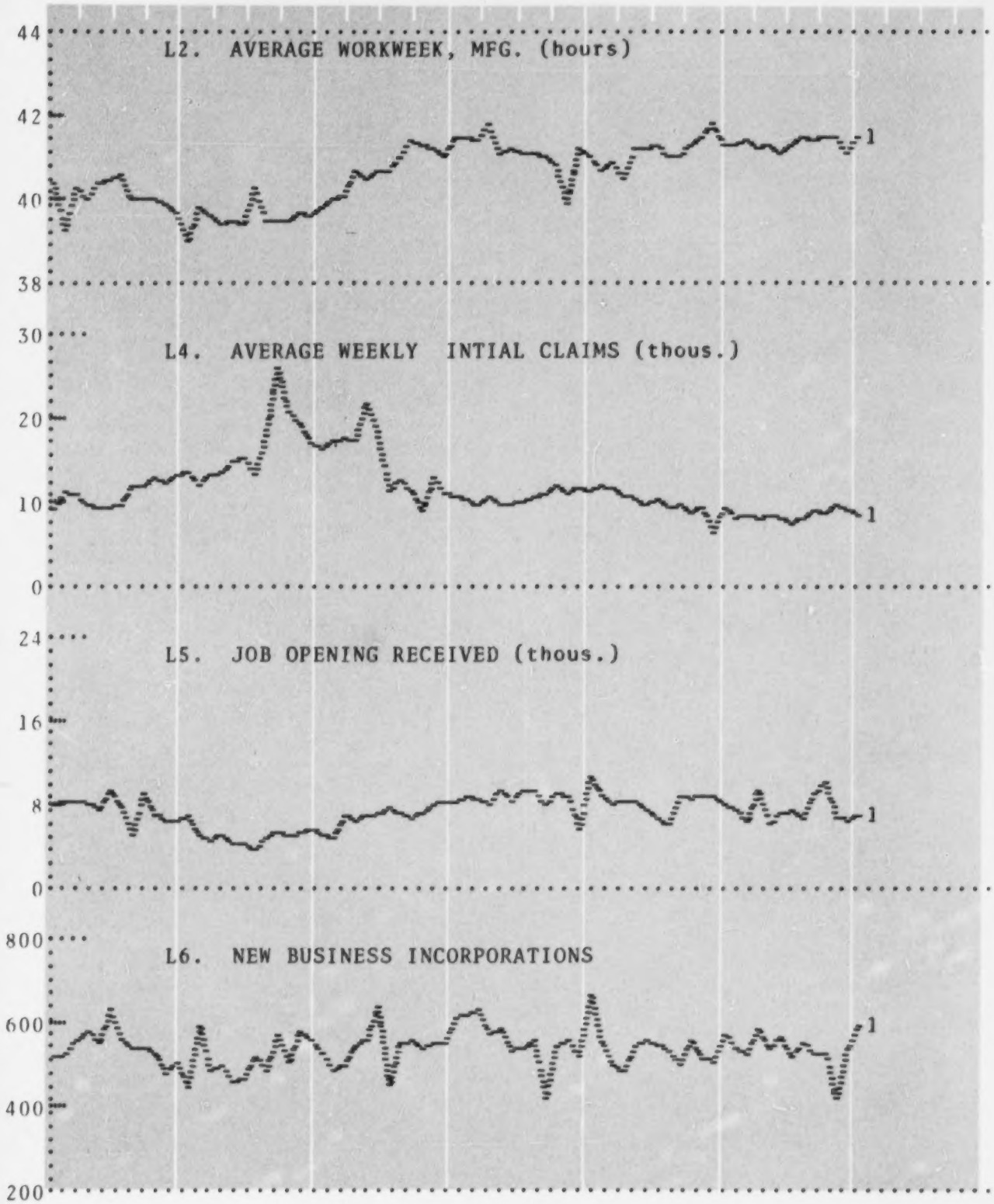

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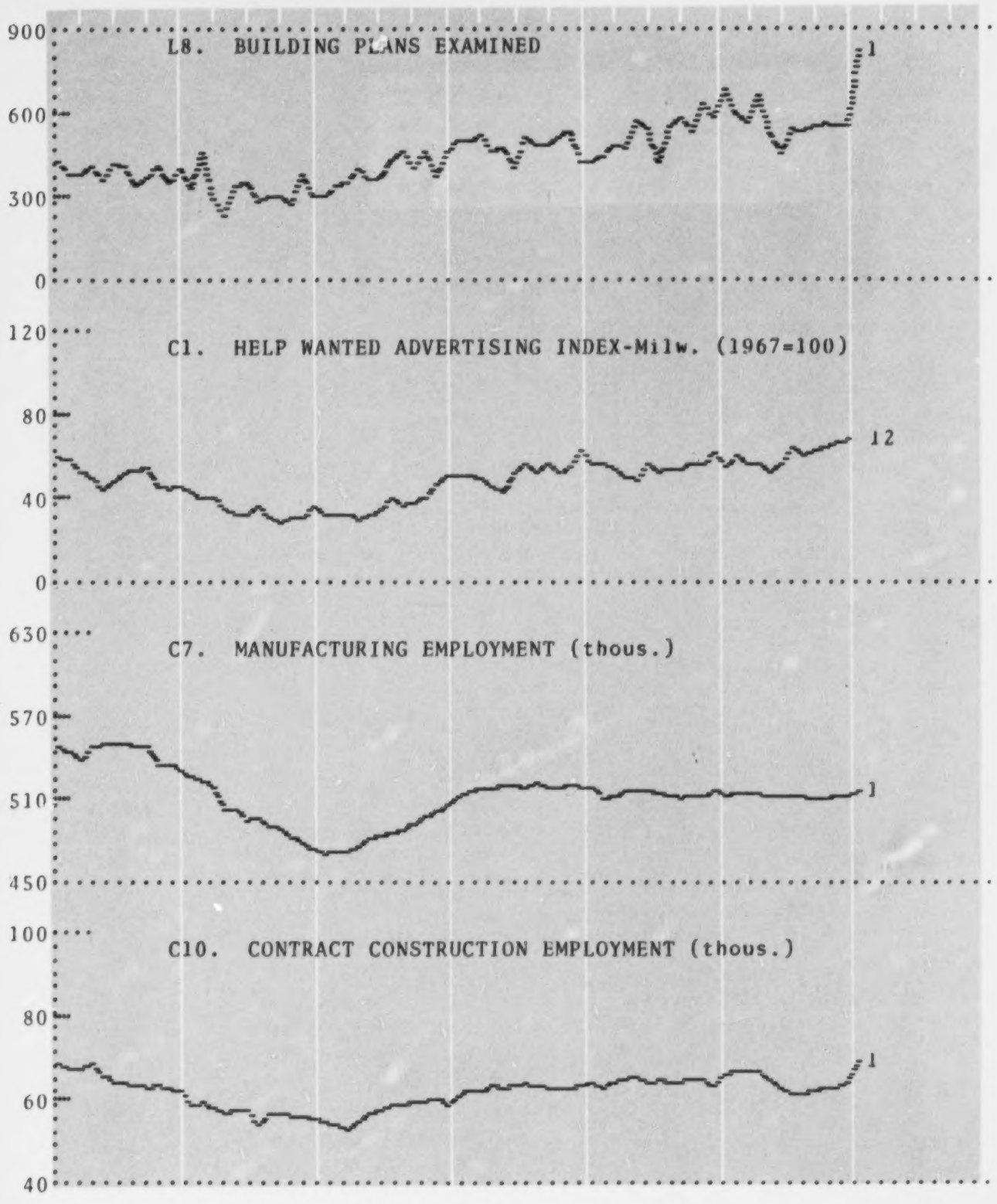

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(Continued from page 10)

1.1 percent this year after a decline of 1.6 percent in 1986. This is the consequence of lower interest rates and is the flip-side to the stimulus that declining interest rates provide to generating additional economic growth.

Other components of Wisconsin income are expected to show growth in modest amounts consistent with the overall forecast of steady but moderate growth. It should be noted that after-tax income growth in Wisconsin should do slightly better than before-tax income growth, owing to the latest rounds of tax cuts at the federal level. The additional spendable income from the federal personal income tax cuts can be expected to provide a slight boost to consumer spending. However spending will undoubtedly be tempered by the current high levels of consumer debt and low saving rates.